
Business & Financial Services Committee

HB 1316

Brief Description: Concerning sellers of travel.

Sponsors: Representative Kirby.

Brief Summary of Bill

- Modifies trust account requirements for sellers of travel.
- Makes changes to the definitions of seller of travel, transacts business with Washington consumers, and advertisement.

Hearing Date: 1/27/11

Staff: Alison Hellberg (786-7152).

Background:

Sellers of travel must be registered with the Department of Licensing (Department), maintain a surety bond, maintain trust accounts for sums received for travel services, and comply with the requirements related to advertising, disclosures to customers, and cancellations and refunds.

A "seller of travel" is defined as a person, firm, or corporation who transacts with Washington consumers.

To "transact business with Washington consumers" means to directly offer or sell travel services or travel-related benefits to Washington consumers, including the placement of advertising in media based in the state of Washington or that is primarily directed to Washington residents.

Sellers of travel are required to maintain a trust account for funds received if the seller holds a customer's money for more than five days. The seller does not need to maintain a trust account or comply with trust account requirements if the seller either maintains a surety bond or is a member of a professional organization that requires members to carry professional liability insurance.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

A few definitions are changed. The definition of "seller of travel" is modified to explicitly state that sellers of travel include retail location travel agencies, home-based travel agencies, and online travel agencies. An "advertisement" includes advertisements on the internet. The definition of "transacts business with Washington consumers" is modified to include situations where the purchase of travel services is allowed, in addition to directly offering or selling them.

The trust account requirements apply when a seller of travel holds sums of money for retail travel services. The limitation that the funds be held for more than five days before the requirements apply is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.